

## Summary of Legislative Provision Freezing Senior Political Appointees' Pay in 2018

- The current statutory freeze on payable pay rates at 2013 levels for certain senior political officials will continue through calendar year 2018 under the Consolidated Appropriations Act, 2018 (Public Law 115-141, March 23, 2018). This pay freeze will continue through January 5, 2019. Future Congressional action will determine whether the pay freeze continues beyond that date.
- Senior political appointees covered by the pay freeze continue to include the following:
  - An employee serving in an Executive Schedule (EX) position, or in a position for which the rate of pay is fixed by statute at an EX rate, and who holds a position under a political appointment;
  - A chief of mission or ambassador at large;
  - A noncareer appointee in the Senior Executive Service (SES) paid at or above EX-IV;
  - A limited term appointee or limited emergency appointee in the SES serving under a political appointment and paid at or above EX-IV; and
  - Any employee paid at or above EX-IV who serves under a political appointment, except employees under the General Schedule or Foreign Service pay systems, employees appointed under 5 U.S.C. 3161, or employees appointed in other pay systems to positions that would be classified at GS-15 or below if they were subject to 5 U.S.C. chapter 51 (relating to General Schedule classification).
- The senior political appointee pay freeze bars salary increases for covered employees, subject to certain narrow statutory exceptions. In addition, the initial pay rate of an individual newly appointed to a covered position while the pay freeze is in effect must be based on the rates of pay and applicable pay limitations in effect on December 31, 2013.
- The 2018 pay adjustments to official statutory salary rates for EX positions and the SES pay range were effective on January 7, 2018. However, individual EX political appointees, SES noncareer appointees paid at or above EX-IV, and other political appointees paid at or above EX-IV may not receive a pay increase while the pay freeze is in effect, unless one of the exceptions below applies. By allowing the pay schedule adjustments to go into effect, Congress ensured that career and other nonpolitical appointees whose pay is linked to the official statutory salary rates for the Executive Schedule are not adversely affected.
- As a result of the 2018 increase in the official statutory EX rates, the EX-IV trigger for determining pay freeze coverage increased to \$164,200 on January 7, 2018. An SES, SL, or other political appointee paid less than \$164,200 (excluding EX officials) may receive a pay increase up to this rate (**based on the normal rules governing pay adjustments for the applicable pay system**) but may not receive an increase above this rate or any subsequent increase except as provided in the statutory pay freeze law.
- The freeze does not apply to General Schedule employees (including Schedule C employees), Foreign Service employees, employees in another pay system whose position would be classified at or below GS-15, or to noncareer SES appointees and certain other political appointees paid below EX-IV. The pay freeze also does not apply to SES career

appointees who elect to retain SES pay provisions under 5 U.S.C. 3392(c) upon receiving a Presidential appointment that would otherwise be covered.

- The law continues to provide an exception to allow a covered senior political appointee to receive a pay increase upon movement to a different covered position with higher-level duties **and** a pre-established higher level or range of pay, except that any such increase must be based on rates of pay and applicable pay limitations in effect on December 31, 2013.
- When the provision lapses, EX officials will be entitled to the official statutory EX rate, which will reflect the January 2014, January 2015, January 2016, January 2017, and January 2018 increases. For other employees who do not have fixed statutory rates (e.g., noncareer SES appointees), the applicable pay range maximum will increase automatically, and any pay adjustments would be made under the normal pay system rules.